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***SIX YEARS OF
ENERGY INACTION
AND INTRANSIGENCE
FROM THE GOP
CONGRESS***

**SPECIAL
REPORT**

SIX YEARS OF ENERGY INACTION AND INTRANSIGENCE FROM THE GOP CONGRESS

A Reality Check of GOP Finger-Pointing & Blame-Shifting To Cover Up Six Years of Inaction

In recent weeks, Republicans have been engaging in a pattern of finger-pointing and blame-shifting on the issue of energy in a cynical attempt to cover up the fact that, ever since the GOP gained control of both the House and Senate in 1995, Republicans have done nothing to promote sensible energy policies of their own and instead have simply blocked Clinton proposals.

Indeed, the Bush Administration's "special-interest" approach to the nation's energy woes is nothing new. By now Democrats are accustomed to Republican energy policies – or lack thereof – that hurt America's standard of living. For the last six years, Congressional Republicans have failed to address America's energy problems and, at the same time, have blocked Democratic efforts.

Republican Congress - 6 Years of Inaction and Lack of Leadership

While the Bush-Cheney White House colludes with Big Energy interests behind closed doors, Republicans in Congress continue to play the Energy Crisis blame game. What Congressional Republicans seem to conveniently forget is they've been in control of the Congress since 1995. Each year President Clinton and Congressional Democrats tried to present common-sense, balanced, immediate and long-term solutions to this nation's energy problems, but Republicans blocked these efforts every step of the way. The Democratic Energy Action Plan under President Clinton included the following provisions:

- ! Providing full funding for the Clinton administration's request for energy efficiency and renewable energy programs, and granting FTC the resources to aggressively investigate allegations of gas price-fixing
- ! Providing tax incentives to keep marginal wells in production and to encourage domestic oil exploration
- ! Giving priority to buying domestic crude from marginal wells during times of low prices and using these purchases to fill the over 110 million barrels in excess capacity in the Strategic Petroleum Reserve
- ! Passing the Strategic Petroleum Reserve reauthorization
- ! Passing tax incentives for renewable energy sources and tax credits for high

efficiency homes, buildings and vehicles

- ! Fully funding the Low-Income Home Energy Assistance Program (LIHEAP)
- ! Fully funding the Northeast Heating Oil Reserve and giving the president explicit authority to use the Reserve

At every step of the way Republicans fought the president and Congressional Democrats on these initiatives. The reality is the Republicans have no one to blame but themselves for our nation's energy problems and America has no one to blame but the Republicans. Here's a look at the history of failed Republican leadership on America's energy issues.

Congressional Republicans Oppose Strategic Petroleum Reserve

Congressional Republicans have continually opposed efforts that would give Americans relief from high energy prices. Especially alarming is the fact Republicans have targeted America's oil "safety net" - the Strategic Petroleum Reserve (SPR). Let's review the Republican record:

- ! **Shooting the Messenger:** In 1999, Republican leaders Dick Armey, Tom Delay and Roy Blunt joined 35 other Republicans to introduce a bill that would have eliminated the Department of Energy and the Strategic Petroleum Reserve (SPR). (See *Department of Energy Abolishment Act*, H.R. 1649)
- ! **Missed Opportunities:** Also in 1999, Republicans rejected an Energy Department proposal to buy 10 million barrels of oil when crude prices were only \$10 a barrel. The purchase would have allowed the U.S. to build up the SPR with low-price domestic crude for use during a gas crisis. This, in turn, would have helped domestic producers and given the country added security. After losing near-record numbers of America producers in 1998, we're more dependent than ever on imports.
- ! **Dipping in for Republican Special Interests:** In 1996, Republicans twice passed laws requiring the sale of oil from the SPR - over 28 million barrels - to help pay for GOP budget priorities. (See *Omnibus Consolidated Rescission and Appropriations Act of 1996*, enacted April 26, 1996; and *Omnibus Consolidated Appropriations Act for Fiscal Year 1997*, enacted September 30, 1996)
- ! **Failure to Authorize:** Since taking control of the Congress in 1995, Republicans have let the President's authority to fully use the SPR lapse three times. This last happened in March of 2000 right in the midst of skyrocketing gasoline prices. Our ability to release oil is a powerful bargaining chip to push oil exporting countries to increase production.
- ! **Failure to Act:** President Bush and the Republicans refuse to support tapping into the SPR to ease gas prices. Ironical since the President's own father sold oil from the Reserve during the Gulf War, not for national security reasons, but to "calm the markets."

- ! **Ignoring History:** Past experience proves releasing oil from the Reserve is an effective, short-term remedy for high oil prices. In September of last year, the price of crude oil and heating oil fell after President Clinton announced a SPR swap. World leaders, OPEC officials and industry analysts have all supported such action in the past. Last September, David Brown, Chief Economist at Bear Stearns in London said: "It will bring the price epicenter down." (*Reuters*, 9/25/01).

Congressional Republicans Cut Energy Efficiency and Renewable Energy Programs

Republicans in Congress like to blame Democrats for making the United States dependent on foreign oil, but it's the Republicans who have spent the last six years cutting programs that would have reduced America's dependence. Here's the Republican record:

- ! **Six-Year Cuts in Energy Efficiency & Renewables:** Between FY 1996 and FY 2001, Republicans underfunded energy efficiency and renewable energy programs by \$1.411 billion below President Clinton's funding requests (see attached chart).
- ! **First-Year Cut Particularly Steep:** In 1995, Republicans cut funding for energy efficiency and renewable programs for FY 1996 by 25% below the FY 1995 level.
- ! **Weatherization Cuts:** Also in FY95, Republicans cut the Weatherization Assistance Program by 50% - a program designed to decrease demand for heating oil. The budget cut meant more than 250,000 households that could have been weatherized were not.
- ! **Tax Credits:** Republicans have also repeatedly failed to support domestic producers by not passing Democratic proposals for tax credits to keep marginal wells in production and by not buying domestic crude during times of low prices.

Congressional Republicans Point Fingers, Offer No Help to Consumers

For the last six years, Congressional Republicans have consistently blocked efforts to give consumers relief from high energy prices. Here are some examples:

- ! **Oil Reserve:** In the fall of 2000, despite predictions that heating bills would be 30% higher come winter, the Republican Congress thwarted efforts to fully authorize the President to create a Northeast Heating Oil Reserve.
- ! **Oil Buy:** On June 15th, 2000, Republicans voted down a Democratic proposal to buy \$10 million in fuel for a home heating oil reserve. (*Roll Call No. 286*) At the time, the American Petroleum Institute was reporting that heating oil inventories were 20% lower than the previous winter.
- ! **LIHEAP Cuts:** In 1995, Republicans voted to eliminate the Low Income Home Energy Assistance Program (LIHEAP). In 1996, Republicans proposed counting

LIHEAP assistance against the income limit for food stamps - trying to force disadvantaged families to choose between food or heat.

- ! **Arctic Refuge:** Instead of looking at the questionable practices (including massive increases in corporate profits) of the oil industry, Republicans want to drill in the Arctic National Wildlife Refuge. This would not only cause significant environmental damage, but would not produce a drop of crude for years.

Barton Bill

Perhaps the only thing worse than energy crisis inaction, is bad action. Such is the case with the "Electricity Emergency Relief Act" sponsored by Rep. Joe Barton (R-TX). The legislation is meant to address the California electricity crisis, but if enacted it would only exacerbate California's problems by: increasing energy costs, undermining state efforts to respond to the electricity crisis and weakening important environmental protections. Rep. Henry Waxman (D-CA) says of the Barton Bill: "Unfortunately despite [Barton's] good intentions, the substance of the 'Electricity Emergency Act' is fundamentally flawed. In fact, the bill will do far more harm than good." (*Waxman Statement, 5/1/01*) In a summary of the legislation, Rep. Waxman cites four major flaws with the bill:

- ! **Fails to Address Runaway Wholesale Electricity Prices** - The single most important federal action would be the immediate imposition of cost-of-service based wholesale rates. Unfortunately, the legislation contains no provisions that would curb the high energy prices California is being charged by out-of-state energy producers.
- ! **Interferes with California's Actions to Address the Electricity Crisis** - The bill would increase California's dependence on the volatile spot market, inhibit the state's ability to acquire and operate transmission lines in California, conflict with California's innovative demand-reduction programs and undermine the ability of the Energy Secretary to order emergency sales of power.
- ! **Creates Loopholes in the Nation's Environmental Laws** - The bill opens up every national park and wilderness area to the construction of new power lines. At the same time, the bill allows states to waive environmental requirements applicable to hydropower projects. The bill also authorizes extensive waivers of Clean Air Act requirements for electricity generation.
- ! **Fails to Adequately Address Conservation** - Conservation must be a cornerstone of any effective response to California's energy crisis, but this bill contains only weak conservation provisions.

Democratic Approach

On April 4, 2001, Democratic House members from California, Oregon and Washington introduced the “Energy Price and Economic Stability Act of 2001” (H.R. 1468). The bill directs FERC to establish cost-of-service rates for electricity sold at wholesale prices in California and other Western states. The rates would expire in two years and new generation would be exempt in order to encourage the siting of new plants. (The provisions of H.R. 1468 are also included in the House Democrats’ “Principles for Energy Prosperity” – a blueprint for legislative action this year – that was unveiled by the House Democratic Caucus Energy Task Force on May 15.)

“The federal government holds the power to rein in hugely inflated electricity prices and it’s not too late to step in,” said Rep. Nancy Pelosi (D-CA) at a press conference announcing the introduction of H.R. 1468. Rep. Jay Inslee (D-WA) added: “We are in a crisis and inaction is not an option. Democrats will continue our efforts in Congress to pass legislation to require action.” Democrats call on Republicans in Congress to work together with Democrats to promptly pass the Feinstein-Smith bill (S. 764) or the Inslee bill (H.R. 1468) that will return the West to just and reasonable cost-of-service based rates until March 1, 2003. These bills still allow generators to make a profit, and in addition, they exempt new generation to encourage new power plant development and construction. Democrats also believe FERC should order refunds of unjust overcharges that have already occurred. To date, over \$6 billion in overcharges have been referred to FERC for investigation.

Grand Oil Party

GOP doesn’t stand for Grand Old Party. It stands for Grand Oil Party. The Republican party is so tightly tied to the oil industry that what’s best for Big Oil trumps what’s best for American energy consumers. That’s why Big Oil gets richer and richer while Americans pay more and more at the pump and in their monthly natural gas and electricity bills. Consider this - in the 2000 election cycle, of the \$33 million the Oil and Gas industry gave to candidates and parties, \$25.5 million went to Republicans. Similarly, the electric utility industry gave Republicans \$12.9 million of its \$18.9 million in political contributions. ***(Center for Responsive Politics)***

President George W. Bush and Vice President Dick Cheney are two of the worst offenders when it comes to favoring big energy interests over the needs of energy consumers. Both Bush and Cheney have deep, longstanding ties to the energy industry and it’s a bond that clearly influences their approach to America’s energy problems. Here’s a brief look at their history of acting on behalf of industry at the expense of consumers.

Bush and Big Oil

George W. Bush is an oilman, his friends are oilmen and his political career has been bankrolled by oil money. During his unsuccessful 1978 campaign for the U.S. House, Bush was quoted as saying: “There’s no such thing as being too closely aligned to the oil business in West Texas.” (Lubbock Avalanche Journal, 3/30/78) Later, when his father was president, Bush wrote a letter to his father’s chief-of-staff on behalf of big oil when they

were trying to get a tax on drilling removed to help boost sagging prices.

As governor of Texas, Bush remained a friend of big oil. He asked the oil industry and other big donor polluters to draft voluntary environmental regulations which he subsequently adopted. Bush also sought to bail out the oil industry in 1999 by declaring an emergency tax break. And it was on George W. Bush's watch in Texas that Houston overtook Los Angeles as the smog capital of the country. During his campaign for president and now as the chief executive, Bush is pursuing proposals that would increase America's dependence on oil and most of those "solutions" benefit big oil. **(DNC)**

Cheney and Big Oil

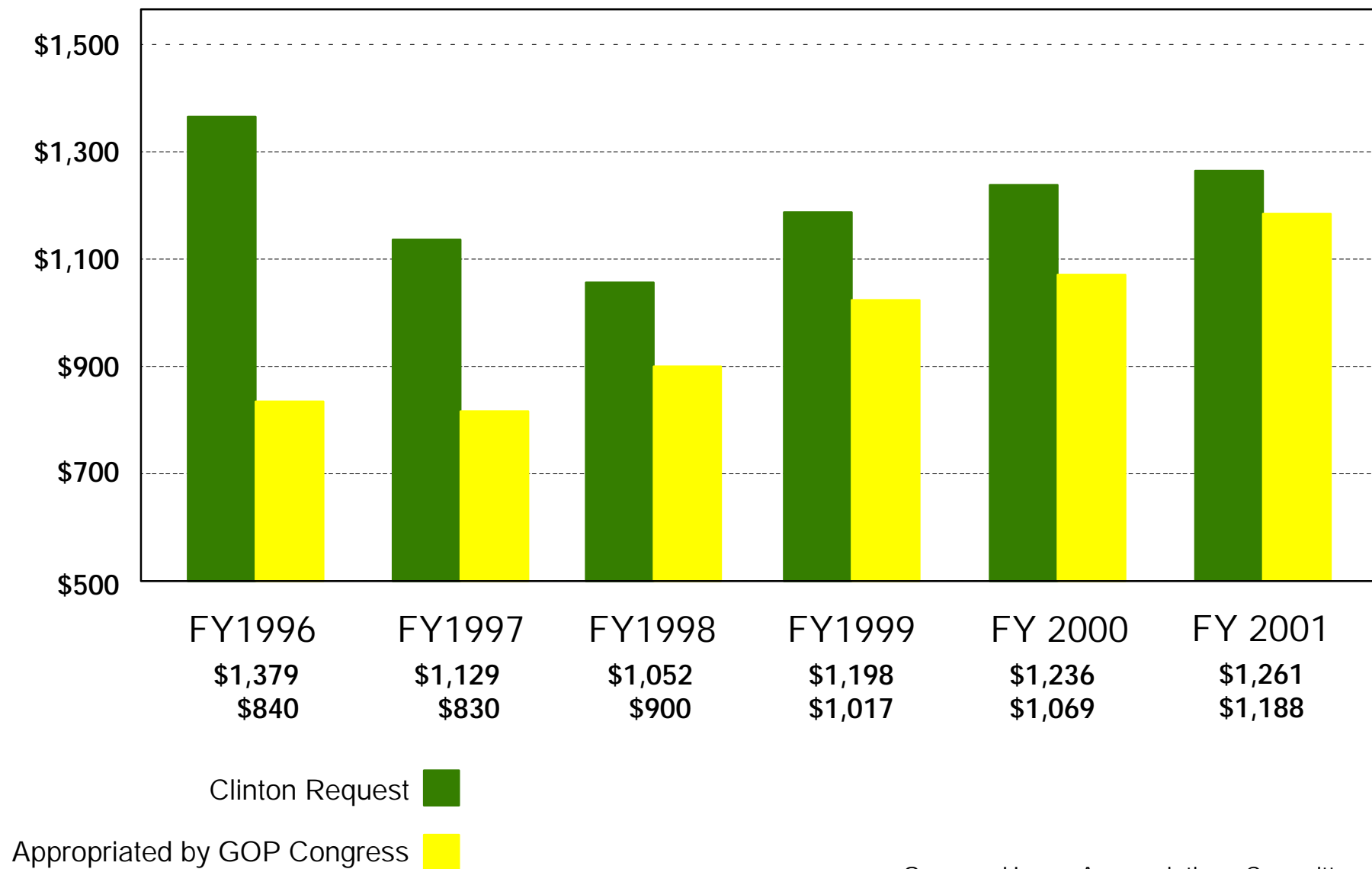
When Dick Cheney was tapped to be George W. Bush's running-mate, he was the CEO of Halliburton, a big Texas-based oil and gas company. Now, like Bush, Cheney is looking out for the interests of big oil and other industries that contributed heavily to the Bush-Cheney ticket. For the last several weeks, Cheney has been meeting behind closed doors with his buddies from the oil business as he chairs a White House Energy Task Force. Cheney has a long history of looking out for big business at the expense of the environment and consumers. As a member of the House, Cheney repeatedly opposed reauthorizing Superfund legislation. He was one of only 9 members to oppose EPA research and development. He was one of only 21 members to oppose refunding the Safe Drinking Water Act. Cheney was one of only 16 members to oppose the 1987 reauthorization of the Endangered Species Act. **(DNC)** Cheney also supports drilling for oil in the Arctic National Wildlife Refuge and in a recent speech dismissed energy conservation as perhaps "a sign of personal virtue" but certainly not "a sufficient basis for a sound, comprehensive energy policy."

Conclusion

Whether it's the Republican Congress or the Bush-Cheney White House, the name of the game is to blame Democrats for our nation's energy woes and advocate a drill, drill and drill some more solution. The truth is the Republicans are to blame for what's happening today and what's happened in the past. For the last six years, President Clinton and Congressional Democrats had a plan to address energy problems and high prices, but Congressional Republicans held the majority and blocked those efforts every step of the way. Now that President Bush is in the White House, he proposes no immediate relief for high energy prices and has an unworkable plan for the long-term.

GOP CUT REQUESTS FOR ENERGY EFFICIENCY AND RENEWABLE ENERGY PROGRAMS

GOP CONGRESS SPENT SIX YEARS *SLASHING* CLINTON ADMINISTRATION'S REQUESTS FOR ENERGY EFFICIENCY AND RENEWABLE ENERGY PROGRAMS



Source: House Appropriations Committee